

**SUBSTITUTE FOR
SENATE BILL NO. 850**

A bill to make appropriations for the department of agriculture and rural development for the fiscal year ending September 30, 2019; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1
2
3
4
5
6
7
8
9

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of agriculture and rural development for the fiscal year ending September 30, 2019, from the following funds:

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions.....	6.0
Full-time equated classified positions.....	500.5

1	GROSS APPROPRIATION.....	\$	108,618,100
2	Interdepartmental grant revenues:		
3	IDG from department of licensing and regulatory		
4	affairs, liquor quality testing fees.....		223,700
5	IDG from department of environmental quality,		
6	biosolids		90,200
7	Total interdepartmental grants and intradepartmental		
8	transfers		313,900
9	ADJUSTED GROSS APPROPRIATION.....	\$	108,304,200
10	Federal revenues:		
11	USDA, multiple grants.....		6,118,600
12	EPA, multiple grants.....		1,277,300
13	HHS-FDA.....		4,140,500
14	Department of Interior.....		238,800
15	Total federal revenues.....		11,775,200
16	Special revenue funds:		
17	Total local revenues.....		0
18	Private - slow-the-spread foundation.....		21,300
19	Private - commodity group revenue.....		80,500
20	Total private revenues.....		101,800
21	Agricultural preservation fund.....		1,442,500
22	Agriculture equine industry development fund.....		3,667,200
23	Agriculture licensing and inspection fees.....		4,110,200
24	Animal welfare fund.....		150,000
25	Commodity inspection fees.....		650,000
26	Consumer and industry food safety education fund.....		356,500
27	Dairy and food safety fund.....		5,978,900

1	Feed control fund.....	1,305,400
2	Fertilizer control fund.....	1,095,600
3	Freshwater protection fund.....	7,940,700
4	Gasoline inspection and testing fund.....	1,444,400
5	Grain dealers fee fund.....	589,800
6	Horticulture fund.....	40,000
7	Industry support funds.....	486,100
8	Migratory labor housing fund.....	169,100
9	Nonretail liquor fees.....	917,200
10	Private forestland enhancement fund.....	481,500
11	Refined petroleum fund.....	3,316,800
12	Rural development fund.....	2,004,600
13	Testing fees.....	200,000
14	Weights and measures regulation fees.....	725,500
15	Total other state restricted revenues.....	37,072,000
16	State general fund/general purpose.....	\$ 59,355,200
17	State general fund/general purpose schedule:	
18	Ongoing state general fund/general	
19	purpose	56,205,200
20	One-time state general fund/general	
21	purpose	3,150,000
22	Sec. 102. DEPARTMENTAL ADMINISTRATION AND SUPPORT	
23	Full-time equated unclassified positions.....	6.0
24	Full-time equated classified positions.....	24.0
25	Unclassified salaries.....	\$ 573,500
26	Accounting service center.....	1,164,200
27	Commissions and boards.....	23,800

1	Emergency management--4.0 FTE positions	1,093,300
2	Executive direction--20.0 FTE positions	2,561,900
3	Property management	<u>705,700</u>
4	GROSS APPROPRIATION	\$ 6,122,400
5	Appropriated from:	
6	Federal revenues:	
7	HHS-FDA	438,100
8	Special revenue funds:	
9	Agricultural preservation fund	16,600
10	Agriculture licensing and inspection fees	127,500
11	Freshwater protection fund	24,500
12	Industry support funds	54,300
13	Nonretail liquor fees	31,000
14	State general fund/general purpose	\$ 5,430,400
15	Sec. 103. INFORMATION AND TECHNOLOGY	
16	Information technology services and projects	\$ <u>1,794,500</u>
17	GROSS APPROPRIATION	\$ 1,794,500
18	Appropriated from:	
19	Interdepartmental grant revenues:	
20	IDG from department of licensing and regulatory	
21	affairs, liquor quality testing fees	3,200
22	Special revenue funds:	
23	Agricultural preservation fund	200
24	Agriculture licensing and inspection fees	93,800
25	Dairy and food safety fund	61,200
26	Freshwater protection fund	100
27	Gasoline inspection testing fund	31,800

1	Nonretail liquor fees.....	500
2	State general fund/general purpose.....	\$ 1,603,700
3	Sec. 104. FOOD AND DAIRY	
4	Full-time equated classified positions.....	132.0
5	Food safety and quality assurance--96.0 FTE positions	\$ 16,602,900
6	Milk safety and quality assurance--36.0 FTE positions	<u>5,439,900</u>
7	GROSS APPROPRIATION.....	\$ 22,042,800
8	Appropriated from:	
9	Federal revenues:	
10	HHS-FDA.....	2,398,600
11	USDA, multiple grants.....	137,100
12	Special revenues funds:	
13	Consumer and industry food safety education fund.....	356,500
14	Dairy and food safety fund.....	5,421,500
15	State general fund/general purpose.....	\$ 13,729,100
16	Sec. 105. ANIMAL INDUSTRY	
17	Full-time equated classified positions.....	61.0
18	Animal agriculture initiative.....	\$ 2,500,000
19	Animal disease prevention and response--61.0 FTE	
20	positions	9,356,900
21	Indemnification - livestock depredation.....	<u>50,000</u>
22	GROSS APPROPRIATION.....	\$ 11,906,900
23	Appropriated from:	
24	Federal revenues:	
25	Department of Interior.....	40,800
26	HHS-FDA.....	46,600
27	USDA, multiple grants.....	530,600

1	Special revenue funds:	
2	Private - commodity group revenue	30,500
3	Agriculture licensing and inspection fees	70,300
4	Animal welfare fund	150,000
5	State general fund/general purpose	\$ 11,038,100
6	Sec. 106. PESTICIDE AND PLANT PEST MANAGEMENT	
7	Full-time equated classified positions	93.0
8	Pesticide and plant pest management--87.0 FTE	
9	positions	\$ 14,172,700
10	Producer security/grain dealers--6.0 FTE positions ...	<u>628,200</u>
11	GROSS APPROPRIATION	\$ 14,800,900
12	Appropriated from:	
13	Federal revenues:	
14	Department of Interior	101,700
15	EPA, multiple grants	543,000
16	HHS-FDA	325,300
17	USDA, multiple grants	716,900
18	Special revenue funds:	
19	Private - slow-the-spread foundation	21,300
20	Agriculture licensing and inspection fees	3,481,900
21	Commodity inspection fees	648,900
22	Feed control fund	1,116,200
23	Fertilizer control fund	1,071,600
24	Freshwater protection fund	156,200
25	Grain dealers fee fund	581,800
26	Horticulture fund	40,000
27	Industry support funds	251,400

1	State general fund/general purpose.....	\$	5,744,700
2	Sec. 107. ENVIRONMENTAL STEWARDSHIP		
3	Full-time equated classified positions.....	65.5	
4	Environmental stewardship - MAEAP--25.0 FTE positions	\$	10,191,300
5	Farmland and open space preservation--10.0 FTE		
6	positions		1,545,000
7	Intercounty drain--6.0 FTE positions.....		811,900
8	Migrant labor housing--9.0 FTE positions.....		1,231,100
9	Qualified forest program--9.0 FTE positions.....		2,590,000
10	Right-to-farm--6.5 FTE positions.....		<u>964,000</u>
11	GROSS APPROPRIATION.....	\$	17,333,300
12	Appropriated from:		
13	Interdepartmental grant revenues:		
14	IDG from department of environmental quality,		
15	biosolids		90,200
16	Federal revenues:		
17	Department of Interior.....		96,300
18	EPA, multiple grants.....		560,500
19	USDA, multiple grants.....		822,300
20	Special revenue funds:		
21	Agricultural preservation fund.....		1,425,700
22	Freshwater protection fund.....		7,714,900
23	Migratory labor housing fund.....		140,100
24	Private forestland enhancement fund.....		481,500
25	State general fund/general purpose.....	\$	6,001,800
26	Sec. 108. LABORATORY SERVICES		
27	Full-time equated classified positions.....	108.0	

1	Central licensing and customer service call	
2	center--12.0 FTE positions	\$ 1,338,200
3	Consumer protection program--41.0 FTE positions	6,790,600
4	Laboratory services--42.0 FTE positions	7,141,500
5	USDA monitoring--13.0 FTE positions	<u>1,637,300</u>
6	GROSS APPROPRIATION	\$ 16,907,600
7	Appropriated from:	
8	Interdepartmental grant revenues:	
9	IDG from department of licensing and regulatory	
10	affairs, liquor quality testing fees	220,500
11	Federal revenues:	
12	EPA, multiple grants	173,800
13	HHS-FDA	931,900
14	USDA, multiple grants	1,638,500
15	Special revenue funds:	
16	Agriculture licensing and inspection fees	336,700
17	Commodity inspection fees	1,100
18	Dairy and food safety fund	496,200
19	Feed control fund	189,200
20	Fertilizer control fund	24,000
21	Freshwater protection fund	45,000
22	Gasoline inspection and testing fund	1,412,600
23	Grain dealers fee fund	8,000
24	Migratory labor housing fund	29,000
25	Refined petroleum fund	3,316,800
26	Testing fees	200,000
27	Weights and measures regulation fees	725,500

1	State general fund/general purpose	\$	7,158,800
2	Sec. 109. AGRICULTURAL DEVELOPMENT		
3	Full-time equated classified positions	17.0	
4	Agricultural development--13.0 FTE positions	\$	4,253,100
5	Food and agriculture investment program		3,300,000
6	Grape and wine program--3.0 FTE positions		934,800
7	Rural development fund grant program--1.0 FTE		
8	position		<u>2,004,600</u>
9	GROSS APPROPRIATION	\$	10,492,500
10	Appropriated from:		
11	Federal revenues:		
12	USDA, multiple grants		2,273,200
13	Special revenue funds:		
14	Private - commodity group revenue		50,000
15	Industry support funds		180,400
16	Nonretail liquor fees		885,700
17	Rural development fund		2,004,600
18	State general fund/general purpose	\$	5,098,600
19	Sec. 110. FAIRS AND EXPOSITIONS		
20	County fairs, shows, and expositions grants	\$	400,000
21	Fairs and racing		256,600
22	Licensed tracks - light horse racing		40,300
23	Light horse racing - breeders' awards		20,000
24	Purses and supplements - fairs/licensed tracks		708,300
25	Standardbred breeders' awards		345,900
26	Standardbred purses and supplements - licensed tracks		671,800
27	Standardbred sire stakes		275,000

1	Thoroughbred breeders' awards	368,600
2	Thoroughbred sire stakes	378,800
3	Thoroughbred supplements - licensed tracks	<u>601,900</u>
4	GROSS APPROPRIATION	\$ 4,067,200
5	Appropriated from:	
6	Special revenue funds:	
7	Agriculture equine industry development fund	3,667,200
8	State general fund/general purpose	\$ 400,000
9	Sec. 111. ONE-TIME APPROPRIATIONS	
10	Food and agriculture investment program	\$ 2,000,000
11	County fairs, shows, and expositions grants	600,000
12	Food processing workforce development initiative	<u>550,000</u>
13	GROSS APPROPRIATION	\$ 3,150,000
14	Appropriated from:	
15	Special revenue funds:	
16	State general fund/general purpose	\$ 3,150,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2018-2019

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2018-2019 is \$96,427,200.00 and state spending from state resources to be paid to local units of government for fiscal year 2018-2019 is \$6,350,000.00. The itemized

1 statement below identifies appropriations from which spending to
 2 local units of government will occur:

3 DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

4	Environmental stewardship/MAEAP.....	\$	4,250,000
5	Qualified forest program.....		1,500,000
6	Rural development fund grant program.....		<u>600,000</u>
7	TOTAL.....	\$	6,350,000

8 Sec. 202. The appropriations authorized under part 1 and this
 9 part are subject to the management and budget act, 1984 PA 431, MCL
 10 18.1101 to 18.1594.

11 Sec. 203. As used in part 1 and this part:

12 (a) "Department" means the department of agriculture and rural
 13 development.

14 (b) "Director" means the director of the department.

15 (c) "EPA" means the United States Environmental Protection
 16 Agency.

17 (d) "FDA" means the United States Food and Drug
 18 Administration.

19 (e) "Fiscal agencies" means the Michigan house fiscal agency
 20 and the Michigan senate fiscal agency.

21 (f) "FTE" means full-time equated.

22 (g) "HHS" means the United States Department of Health and
 23 Human Services.

24 (h) "IDG" means interdepartmental grant.

25 (i) "LARA" means the Michigan department of licensing and
 26 regulatory affairs.

27 (j) "LCC" means the Michigan liquor control commission.

1 (k) "MAEAP" means the Michigan agriculture environmental
2 assurance program.

3 (l) "MDEQ" means the Michigan department of environmental
4 quality.

5 (m) "MDNR" means the Michigan department of natural resources.

6 (n) "MOU" means memorandum of understanding.

7 (o) "Subcommittees" means all members of the subcommittees of
8 the house and senate appropriations committees with jurisdiction
9 over the budget for the department.

10 (p) "TB" means tuberculosis.

11 (q) "USDA" means the United States Department of Agriculture.

12 Sec. 204. The departments and agencies receiving
13 appropriations in part 1 shall use the internet to fulfill the
14 reporting requirements of this part. This requirement may include
15 transmission of reports via electronic mail to the recipients
16 identified for each reporting requirement, or it may include
17 placement of reports on an internet or intranet site.

18 Sec. 205. Funds appropriated in part 1 shall not be used for
19 the purchase of foreign goods or services, or both, if
20 competitively priced and of comparable quality American goods or
21 services, or both, are available. Preference shall be given to
22 goods or services, or both, manufactured or provided by Michigan
23 businesses, if they are competitively priced and of comparable
24 quality. In addition, preference shall be given to goods or
25 services, or both, that are manufactured or provided by Michigan
26 businesses owned and operated by veterans, if they are
27 competitively priced and of comparable quality.

1 Sec. 206. The director shall take all reasonable steps to
2 ensure businesses in deprived and depressed communities compete for
3 and perform contracts to provide services or supplies, or both.
4 Each director shall strongly encourage firms with which the
5 department contracts to subcontract with certified businesses in
6 depressed and deprived communities for services or supplies, or
7 both.

8 Sec. 207. The departments and agencies receiving
9 appropriations in part 1 shall prepare a report on out-of-state
10 travel expenses not later than January 1 of each year. The travel
11 report shall be a listing of all travel by classified and
12 unclassified employees outside this state in the immediately
13 preceding fiscal year that was funded in whole or in part with
14 funds appropriated in the department's budget. The report shall be
15 submitted to the house and senate appropriations committees, the
16 house and senate fiscal agencies, and the state budget director.
17 The report shall include the following information:

18 (a) The dates of each travel occurrence.

19 (b) The transportation and related costs of each travel
20 occurrence, including the proportion funded with state general
21 fund/general purpose revenues, the proportion funded with state
22 restricted revenues, the proportion funded with federal revenues,
23 and the proportion funded with other revenues.

24 Sec. 208. Funds appropriated in part 1 shall not be used by a
25 principal executive department, state agency, or authority to hire
26 a person to provide legal services that are the responsibility of
27 the attorney general. This prohibition does not apply to legal

1 services for bonding activities and for those outside services that
2 the attorney general authorizes.

3 Sec. 209. Not later than November 30, the state budget office
4 shall prepare and transmit a report that provides for estimates of
5 the total general fund/general purpose appropriation lapses at the
6 close of the prior fiscal year. This report shall summarize the
7 projected year-end general fund/general purpose appropriation
8 lapses by major departmental program or program areas. The report
9 shall be transmitted to the chairpersons of the senate and house of
10 representatives standing committees on appropriations and the
11 senate and house fiscal agencies.

12 Sec. 210. (1) In addition to the funds appropriated in part 1,
13 there is appropriated an amount not to exceed \$5,000,000.00 for
14 federal contingency funds. These funds are not available for
15 expenditure until they have been transferred to another line item
16 in part 1 under section 393(2) of the management and budget act,
17 1984 PA 431, MCL 18.1393.

18 (2) In addition to the funds appropriated in part 1, there is
19 appropriated an amount not to exceed \$6,000,000.00 for state
20 restricted contingency funds. These funds are not available for
21 expenditure until they have been transferred to another line item
22 in part 1 under section 393(2) of the management and budget act,
23 1984 PA 431, MCL 18.1393.

24 (3) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$100,000.00 for local
26 contingency funds. These funds are not available for expenditure
27 until they have been transferred to another line item in part 1

1 under section 393(2) of the management and budget act, 1984 PA 431,
2 MCL 18.1393.

3 (4) In addition to the funds appropriated in part 1, there is
4 appropriated an amount not to exceed \$100,000.00 for private
5 contingency funds. These funds are not available for expenditure
6 until they have been transferred to another line item in part 1
7 under section 393(2) of the management and budget act, 1984 PA 431,
8 MCL 18.1393.

9 Sec. 211. The department shall cooperate with the department
10 of technology, management, and budget to maintain a searchable
11 website accessible by the public at no cost that includes, but is
12 not limited to, all of the following for each department or agency:

13 (a) Fiscal year-to-date expenditures by category.

14 (b) Fiscal year-to-date expenditures by appropriation unit.

15 (c) Fiscal year-to-date payments to a selected vendor,
16 including the vendor name, payment date, payment amount, and
17 payment description.

18 (d) The number of active department employees by job
19 classification.

20 (e) Job specifications and wage rates.

21 Sec. 212. Within 14 days after the release of the executive
22 budget recommendation, the department shall cooperate with the
23 state budget office to provide the senate and house appropriations
24 chairs, the subcommittees, respectively, and the senate and house
25 fiscal agencies with an annual report on estimated state restricted
26 fund balances, state restricted fund projected revenues, and state
27 restricted fund expenditures for the fiscal years ending September

1 30, 2018 and September 30, 2019.

2 Sec. 213. The department shall maintain, on a publicly
3 accessible website, a department scorecard that identifies, tracks,
4 and regularly updates key metrics that are used to monitor and
5 improve the agency's performance.

6 Sec. 214. Total authorized appropriations from all sources
7 under part 1 for legacy costs for the fiscal year ending September
8 30, 2019 is \$12,428,400.00. From this amount, total agency
9 appropriations for pension-related legacy costs are estimated at
10 \$5,729,700.00. Total agency appropriations for retiree health care
11 legacy costs are estimated at \$6,698,700.00.

12 Sec. 215. The department shall not take disciplinary action
13 against an employee for communicating with a member of the
14 legislature or his or her staff.

15 **DEPARTMENTAL ADMINISTRATION AND SUPPORT**

16 Sec. 301. (1) The department may establish a fee schedule and
17 collect fees for the following work activities and services:

18 (a) Pesticide and plant pest management propagation and
19 certification of virus-free foundation stock.

20 (b) Fruit and vegetable inspection and grading services at
21 shipping and termination points and processing plants.

22 (c) Laboratory support analyses of food, livestock, and
23 agricultural products for disease, foreign products for disease,
24 toxic materials, foreign substances, and quality standards.

25 (d) Laboratory support test samples for other state and local
26 agencies and public or private organizations.

1 (2) The department may receive and expend revenue from the
2 fees authorized under subsection (1), subject to appropriation, for
3 the purpose of recovering expenses associated with the work
4 activities and services described in subsection (1). Fee revenue
5 collected by the department under subsection (1) shall not lapse to
6 the state general fund at the end of the fiscal year but shall
7 carry forward for appropriation by the legislature in the
8 subsequent fiscal year.

9 (3) The department shall notify the subcommittees, the fiscal
10 agencies, and the state budget office 30 days prior to proposing
11 changes in fees authorized under this section or under section 5 of
12 1915 PA 91, MCL 285.35.

13 (4) On or before February 1 of each year, the department shall
14 provide a report to the subcommittees, the fiscal agencies, and the
15 state budget office detailing all the fees charged by the
16 department under the authorization provided in this section,
17 including, but not limited to, rates, number of individuals paying
18 each fee, and the revenue generated by each fee in the previous
19 fiscal year.

20 Sec. 302. (1) The department may contract with or provide
21 grants to local units of government, institutions of higher
22 education, or nonprofit organizations to support activities
23 authorized by appropriations in part 1. As used in this section,
24 contracts and grants include, but are not limited to, contracts for
25 delivery of groundwater/freshwater programs, MAEAP technical
26 assistance, forest management, invasive species monitoring,
27 wildlife risk mitigation, grants promoting proper pesticide

1 disposal, and research grants for the purpose of enhancing the
2 agricultural industries in this state.

3 (2) The department shall provide notice of contracts or grants
4 authorized under this section to the subcommittees, the fiscal
5 agencies, and the state budget office not later than 7 days before
6 the department notifies contract or grant recipients.

7 **FOOD AND DAIRY**

8 Sec. 401. (1) The department shall report on the previous
9 fiscal year's activities of the food and dairy division. The report
10 shall include information on activities and outcomes of the dairy
11 safety and inspection program, the food safety inspection program,
12 the foodborne illness and emergency response program, and the food
13 service program.

14 (2) The report shall include information on significant
15 foodborne outbreaks and emergencies, including any significant
16 enforcement actions taken related to food safety during the prior
17 calendar year.

18 (3) The report shall be transmitted to the subcommittees, the
19 fiscal agencies, and the state budget office and posted to the
20 department's website on or before April 1 of each year.

21 **ANIMAL INDUSTRY**

22 Sec. 451. From the funds appropriated in part 1 for bovine
23 tuberculosis, the department shall pay for all whole herd testing
24 costs and individual animal testing costs in the modified
25 accredited zone to maintain split-state status requirements. These

1 costs include indemnity and compensation for injury causing death
2 or downer to animals.

3 Sec. 452. (1) The department shall report on the previous
4 calendar year's activities of the animal industry division. The
5 report shall be transmitted to the subcommittees, the fiscal
6 agencies, and the state budget office and posted to the
7 department's website on or before April 1 of each year.

8 (2) The department shall include in the report all
9 indemnification payments for livestock depredation made in the
10 previous calendar year and shall include all of the following:

11 (a) The reason for the indemnification.

12 (b) The amount of the indemnification.

13 (c) The person for whom the indemnification was paid.

14 Sec. 454. The department shall use its resources to
15 collaborate with the USDA to monitor bovine TB, consistent with the
16 May 2016 memorandum of understanding between the department and the
17 USDA.

18 Sec. 457. (1) On or before October 15, 2018, the department
19 shall provide to the subcommittees, the fiscal agencies, and the
20 state budget office a report on bovine TB status and department
21 activities.

22 (2) For each fiscal quarter following the report required in
23 subsection (1), the department shall provide an update to the
24 subcommittees, the fiscal agencies, and the state budget office.
25 The quarterly update reports shall identify significant impacts to
26 the program, including new incidence of bovine TB in this state,
27 department activity associated with specific new incidence of

1 bovine TB, any changes in USDA requirements or movement orders, and
2 information and data on wildlife risk mitigation plan
3 implementation in the modified accredited zone; implementation of a
4 movement certificate process; progress toward annual surveillance
5 test requirements; efforts to work with slaughter facilities in
6 this state, as well as those that slaughter a significant number of
7 animals from this state; educational programs and information for
8 this state's livestock community; and any other item the
9 legislature should be aware of that will promote or hinder efforts
10 to achieve bovine TB-free status for this state.

11 Sec. 459. It is the intent of the legislature that the
12 department shall not conduct whole herd bovine TB testing on any 1
13 herd in a TB-free zone more often than every 4 years or re-test
14 until all other herds in their county have been tested, unless
15 involved in an epidemiological investigation, there is an outbreak
16 within a 10-radius-mile area, or is not on a verified wildlife risk
17 mitigated premises. If there is an outbreak within a 10-radius-mile
18 area, protocols outlined by the current memorandum of understanding
19 with the USDA shall be used.

20 **PESTICIDE AND PLANT PEST MANAGEMENT**

21 Sec. 501. The department shall report on the previous calendar
22 year's activities of the pesticide and plant pest management
23 division. The report shall be transmitted to the subcommittees, the
24 fiscal agencies, and the state budget office and posted to the
25 department's website on or before April 1 of each year.

1 **ENVIRONMENTAL STEWARDSHIP**

2 Sec. 601. The funds appropriated in part 1 for environmental
3 stewardship/MAEAP shall be used to support department agriculture
4 pollution prevention programs, including groundwater and freshwater
5 protection programs under part 87 of the Michigan natural resources
6 and environmental protection act, 1994 PA 451, MCL 324.8701 to
7 324.8717, and technical assistance in implementing conservation
8 grants available under the federal farm bill of 2014.

9 Sec. 602. The department shall report on the previous calendar
10 year's activities of the environmental stewardship division. The
11 report shall be transmitted to the subcommittees, the fiscal
12 agencies, and the state budget office and posted to the
13 department's website on or before April 1 of each year.

14 Sec. 604. The department may receive and expend federal
15 revenues in excess of the federal revenue appropriated in section
16 107 of part 1 for environmental stewardship and MAEAP activities.
17 The department shall notify the subcommittees, the fiscal agencies,
18 and the state budget office prior to expending federal revenues
19 authorized under this section.

20 Sec. 608. (1) The appropriations in part 1 for the qualified
21 forest affidavit program are for the purpose of increasing the
22 knowledge of nonindustrial private forestland owners of sound
23 forest management practices and increasing the amount of commercial
24 timber production from those lands.

25 (2) The department shall work in partnership with stakeholder
26 groups and other state and federal agencies to increase the active
27 management of nonindustrial private forestland to foster the growth

1 of Michigan's timber product industry.

2 **LABORATORY PROGRAM**

3 Sec. 651. The department shall report on the previous calendar
4 year's activities of the laboratory division. The report shall be
5 transmitted to the subcommittees, the fiscal agencies, and the
6 state budget office and posted to the department's website on or
7 before April 1 of each year.

8 **AGRICULTURE DEVELOPMENT**

9 Sec. 701. (1) From the funds appropriated in part 1 for the
10 food and agriculture investment program, the department shall
11 establish and administer a food and agriculture investment program.

12 (2) The food and agriculture investment program shall expand
13 the Michigan food and agriculture sector, grow Michigan exports,
14 promote the development of value-added agricultural production,
15 food hubs, food incubators, and community-based processing
16 facilities, and the expansion of farm markets and urban
17 agriculture, and increase food processing activities within the
18 state by accelerating projects and infrastructure development that
19 support growth in the food and agriculture processing industry.

20 (3) In addition to the funds appropriated in part 1, the
21 department may receive and expend funds received from outside
22 sources for the food and agriculture investment program.

23 (4) Before the allocation of funding, all projects shall
24 receive approval from the Michigan commission of agriculture and
25 rural development, except for projects selected through a

1 competitive process by a joint evaluation committee selected by the
2 director and consisting of representatives that have agriculture,
3 business, and economic development expertise. Projects funded
4 through the food and agriculture investment program will be
5 required to have a grant agreement that outlines milestones and
6 activities that must be met in order to receive a disbursement of
7 funds. Projects must also identify measurable project outcomes.

8 (5) The department shall include in the agriculture
9 development annual report a report on the food and agriculture
10 investment program for the previous fiscal year that includes a
11 listing of the grantees, award amounts, match funding, project
12 locations, and project outcomes.

13 (6) The food and agriculture investment program shall be
14 administered by the department and provide support for food and
15 agriculture projects that will enable growth in the industry and
16 this state's economy.

17 (7) The unexpended funds appropriated in part 1 for the food
18 and agriculture investment program are designated as a work project
19 appropriation, and any unencumbered or unallotted funds shall not
20 lapse at the end of the fiscal year and shall be available for
21 expenditures for projects under this section until the projects
22 have been completed. The following is in compliance with section
23 451a(1) of the management and budget act, 1984 PA 431, MCL
24 18.1451a:

25 (a) The purpose of the project is to promote and expand the
26 Michigan food and agriculture sector, grow Michigan exports, and
27 increase food processing activities within the state.

1 (b) The project will be funded in accordance with this section
2 and the project guidelines approved by the Michigan agriculture
3 commission prior to an award.

4 (c) The estimated cost of this project is identified in the
5 appropriation line item.

6 (d) The tentative completion date for the work project is
7 September 30, 2021.

8 (8) The department may expend money from the funds
9 appropriated in part 1 for the food and agriculture investment
10 program, including all of the following activities:

11 (a) Grants.

12 (b) Loans or loan guarantees.

13 (c) Infrastructure development.

14 (d) Other economic assistance.

15 (e) Program administration.

16 (f) Export assistance.

17 (9) The department shall expend no more than 10% from the
18 funds appropriated in part 1 for the food and agriculture
19 investment program for administrative purposes.

20 Sec. 706. (1) The department shall report on the previous
21 calendar year's activities of the agriculture development division.
22 The report shall be transmitted to the subcommittees, the fiscal
23 agencies, and the state budget office and posted to the
24 department's website on or before April 1 of each year.

25 (2) The report shall include the following information on any
26 grants awarded during the prior fiscal year:

27 (a) The name of the grantee.

1 (b) The amount of the grant.

2 (c) The purpose of the grant, including measurable outcomes.

3 (d) Additional state, federal, private, or local funds
4 contributed to the grant project.

5 (e) The completion date of grant-funded activities.

6 (3) The report shall include the following information on the
7 grape and wine industry council established under section 303 of
8 the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1303:

9 (a) Council activities and accomplishments for the previous
10 fiscal year.

11 (b) Council expenditures for the previous fiscal year by
12 category of administration, industry support, research and
13 education grants, and promotion and consumer education.

14 (c) Grants awarded during the previous fiscal year and the
15 results of research grant projects completed during the previous
16 fiscal year.

17 **FAIRS AND EXPOSITIONS**

18 Sec. 801. All appropriations from the agriculture equine
19 industry development fund shall be spent on equine-related
20 purposes. No funds from the agriculture equine industry development
21 fund shall be expended for nonequine-related purposes without prior
22 approval of the legislature.

23 Sec. 802. All appropriations from the agriculture equine
24 industry development fund, except for the Michigan gaming control
25 board's regulatory expenses and the department's expenses to
26 administer horse racing programs, shall be reduced proportionately

1 if revenues to the agriculture equine industry development fund
2 decline during the preceding fiscal year to a level lower than the
3 amounts appropriated in part 1.

4 Sec. 805. (1) The department shall establish and administer a
5 county fairs, shows, and expositions grant program. The program
6 shall have the following objectives:

7 (a) Assist in the promotion of building improvements or other
8 capital improvements at county fairgrounds of the state.

9 (b) Provide financial support, promotion, prizes, and premiums
10 of equine, livestock, and other agricultural commodity expositions
11 in the state.

12 (2) The department shall award grants on a competitive basis
13 to county fairs or other organizations from the funds appropriated
14 in part 1 for county fairs, shows, and expositions grants. Grantees
15 will be required to provide a dollar-for-dollar cash match with
16 grant awards and identify measurable project outcomes. A county
17 fair organization that received a county fair capital improvement
18 grant in the prior fiscal year shall not receive a grant from the
19 appropriation in part 1.

20 (3) From the amount appropriated in part 1 for county fairs,
21 shows, and expositions, up to \$20,000.00 shall be expended for the
22 purpose of financial support, promotion, prizes, and premiums of
23 equine, livestock, and other agricultural commodity expositions in
24 this state.

25 (4) All fairs receiving grants under this section shall
26 provide a report to the department on the financial impact
27 resulting from the capital improvement project on both fair and

1 nonfair events. These reports are due for 3 years immediately
2 following the completion of the capital improvement project.

3 (5) The department shall identify criteria, evaluate
4 applications, and provide recommendations to the director for final
5 approval of grant awards.

6 (6) The department may expend money from the funds
7 appropriated in part 1 for the county fairs, shows, and expositions
8 grants for administering the program.

9 (7) From the funds appropriated in part 1 for county fairs,
10 shows, and expositions grants, \$100,000.00 shall be used for
11 renovations to the Tuscola County fair grandstand.

12 (8) The unexpended portion of the county fairs, shows, and
13 expositions grants is considered a work project appropriation in
14 accordance with section 451a of the management and budget act, 1984
15 PA 431, MCL 18.1451a. The following apply to the project:

16 (a) The purpose of the project is to support building
17 improvements or other capital improvements at county fairgrounds of
18 the state.

19 (b) All grants will be distributed in accordance with this
20 section and the grant guidelines published prior to the request for
21 proposals.

22 (c) The estimated cost of the project is identified in the
23 appropriation line item.

24 (d) The tentative completion date for the work project is
25 September 30, 2021.

26 (9) The department shall provide a year-end report on the
27 county fairs, shows, and expositions grants no later than December

1 1, 2019 to the subcommittees, the fiscal agencies, and the state
2 budget director that includes a listing of the grantees, award
3 amounts, match funding, and project outcomes.

4 PART 2A

5 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS
6 FOR FISCAL YEAR 2019-2020

7 GENERAL SECTIONS

8 Sec. 1201. It is the intent of the legislature to provide
9 appropriations for the fiscal year ending on September 30, 2020 for
10 the line items listed in part 1. The fiscal year 2019-2020
11 appropriations are anticipated to be the same as those for fiscal
12 year 2018-2019, except that the line items will be adjusted for
13 changes in caseload and related costs, federal fund match rates,
14 economic factors, and available revenue. These adjustments will be
15 determined after the January 2019 consensus revenue estimating
16 conference.